DOLPHIN PRODUCTIONS INC
Form 10QSB
May 16, 2005

U.S. Securities and Exchange Commission
Washington D.C. 20549

Form 10-QSB

(Mark One)
[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from ______________ to _______________
Commission file number 0-50164

DOLPHIN PRODUCTIONS, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	87-0618756
(State or other jurisdiction of incorporation or organization)	Employer Identification No.)

2068 Haun Avenue, Salt Lake City, Utah 84121
(Address of principal executive offices)

(801) 450-0716
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes (X) No ( )

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 770,000 as of March 31, 2005.

DOLPHIN PRODUCTIONS, INC.
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Item 1. Financial Statements for DOLPHIN PRODUCTIONS, INC.

DOLPHIN PRODUCTIONS, INC.
[A Development Stage Company]

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DOLPHIN PRODUCTIONS, INC.
[A Development Stage Company]

UNAUDITED CONDENSED BALANCE SHEETS

ASSETS

	March 31, 2005	September 30, 2004
CURRENT ASSETS:		
Cash	$ 13,069	$ 21,002
Income taxes receivable	730	730
Total Current Assets	13,799	21,732
	$ 13,799	$ 21,732

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2005	September 30, 2004
CURRENT LIABILITIES:		
Accounts payable	$ 352	$ 1,709
Accrued payroll taxes	-	2,994
Utah Sales Tax Payable	45	-
Total Current Liabilities	397	4,703
STOCKHOLDERS' EQUITY :		
Common stock, $.001 par value, 50,000,000 shares authorized, 770,000 shares issued and outstanding	770	770
Capital in excess of par value	55,230	55,230
Deficit accumulated during the development stage	(42,598)	(38,971)
Total Stockholders' Equity	13,402	17,029
	$ 13,799	$ 21,732

Note: The balance sheet at September 30, 2004 was taken from the audited financial statements at that date and condensed.

The accompanying notes are an integral part of these unaudited condensed financial statements.

DOLPHIN PRODUCTIONS, INC.
[A Development Stage Company]

UNAUDITED CONDENSED STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31, 2005	For the Three Months Ended March 31, 2004	For the Six Months Ended March 31, 2005	For the Six Months Ended March 31, 2004	From Inception on June 26, 1998 Through March 31, 2005
REVENUE	$ 675	$ -	$ 675	$ -	$ 38,565
EXPENSES:					
Selling	-	-	-	-	4,561
General and administrative	1,863	798	4,302	2,098	76,283
Total Expenses	1,863	798	4,302	2,098	80,844
LOSS BEFORE OTHER INCOME (EXPENSE)	(1,188)	(798)	(3,627)	(2,098)	(42,279)
OTHER INCOME (EXPENSE)					
Interest expense	-	-	-	-	(25)
LOSS BEFORE INCOME TAXES	(1,188)	(798)	(3,627)	(2,098)	(42,304)
CURRENT TAX EXPENSE (BENEFIT)	-	-	-	-	294
DEFERRED TAX EXPENSE (BENEFIT)	-	-	-	-	-
NET LOSS	$(1,188)	$ (798)	$(3,627)	$(2,098)	$ (42,598)
LOSS PER COMMON SHARE	$ (.00)	$ (.00)	$ (.00)	$ (.00)	$ (.08)

The accompanying notes are an integral part of these unaudited condensed financial statements.

DOLPHIN PRODUCTIONS, INC.
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	For the Six	From Inception

	Months Ended March 31, 2005	Months Ended March 31, 2004	on June 26, 1998 Through March 31, 2005
Cash Flows from Operating Activities:			
Net loss	$ (3,627)	$ (2,098)	$ (42,598)
Adjustments to reconcile net loss to net cash used by operating activities:			
Non-cash expense for services rendered	-	-	5,000
Changes in assets and liabilities:			
(Increase) in income taxes receivable	-	-	(730)
Increase (decease) in accounts payable	(1,357)	(270)	352
(Decrease) in Accrued Payroll Taxes	(2,994)	-	-
Increase in Utah sales tax payable	45	-	45
Net Cash (Used) by Operating Activities	(7,933)	(2,368)	(37,931)
Cash Flows from Investing Activities	-	-	-
Net Cash Provided by Investing Activities	-	-	-
Cash Flows from Financing Activities:			
Proceeds from issuance of common stock	-	-	51,000
Net Cash Provided by Financing Activities	-	-	51,000
Net Increase (Decrease) in Cash and Cash Equivalents	(7,933)	(2,368)	13,069
Cash and Cash Equivalents at Beginning of Period	21,002	2,995	-
Cash and Cash Equivalents at End of Period	$ 13,069	$ 627	$ 13,069

Supplemental Disclosures of Cash Flow Information:
Cash paid during the period for:

Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ 1,024

Supplemental Schedule of Non-cash Investing and Financing Activities:

For the six months ended March 31, 2005:
None

For the six months ended March 31, 2004:
None

The accompanying notes are an integral part of these unaudited condensed financial statements.

DOLPHIN PRODUCTIONS, INC.
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NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Dolphin Productions, Inc. ("the Company") was organized under the laws of the State of Nevada on June 26, 1998. The Company markets original recorded music through the Internet. The Company formerly produced live musical concerts. The Company has not yet generated significant revenues from its Internet marketing operations and is considered a development stage company as defined in Statement of Financial Accounting Standards No. 7. The Company has, at the present time, not paid any dividends and any dividends that may be paid in the future will depend upon the financial requirements of the Company and other relevant factors.

Condensed Financial Statements - The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2005 and 2004 and for the periods then ended have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's September 30, 2004 audited financial statements. The results of operations for the periods ended March 31, 2005 and 2004 are not necessarily indicative of the operating results for the full year.

Fiscal Year - The Company's fiscal year-end is September 30th.

Cash and Cash Equivalents - The Company considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable - The Company records accounts receivable at the lower of cost or fair value. The Company recognizes interest income on an account receivable based on the stated interest rate for past-due accounts over the period that the account is past due. The Company accumulates and defers fees and costs associated with establishing a receivable to be amortized over the estimated life of the related receivable. The Company estimates allowances for doubtful accounts based on the aged receivable balances and historical losses. The Company records interest income on delinquent accounts receivable only when payment is received. The Company first applies payments received on delinquent accounts receivable to eliminate the outstanding principal. The Company charges off uncollectible accounts receivable when management estimates no possibility of collecting the related receivable. The Company considers accounts receivable to be past due or delinquent based on contractual terms.

DOLPHIN PRODUCTIONS, INC.
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NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Continued]

Revenue Recognition - The Company recognizes revenue from providing musical and other performances for concerts and other events for a negotiated fee in the period when the services are provided. The Company records only its fee from a concert performance and reflects the Company's expenses related to the performance as general and administrative expense. The Company recognizes revenue from the sale of recorded music when the product is delivered.

Advertising Costs - Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. During the six months ended March 31, 2005 and 2004, advertising costs amounted to $0 and $0, respectively.

Income Taxes - The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" [See Note 4].

Loss Per Share - The computation of loss per share is based on the weighted average number of shares outstanding during the period presented in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share" [See Note 6].

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated by management.

Recently Enacted Accounting Standards - Statement of Financial Accounting Standards ("SFAS") No. 151, "Inventory Costs - an amendment of ARB No. 43, Chapter 4", SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions - an amendment of FASB Statements No. 66 and 67", SFAS No. 153, "Exchanges of Nonmonetary Assets - an amendment of APB Opinion No. 29", and SFAS No. 123 (revised 2004), "Share-Based Payment", were recently issued. SFAS No. 151, 152, 153 and 123 (revised 2004) have no current applicability to the Company or their effect on the financial statements would not have been significant.

Restatement - On January 15, 1999, the Company effected a 5-for-2 forward stock split. The financial statements have been restated, for all periods presented, to reflect the stock split [See Note 2].

Reclassification - The financial statements for periods prior to March 31, 2005 have been reclassified to conform to the headings and classifications used in the March 31, 2005 financial statements.

DOLPHIN PRODUCTIONS, INC.
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NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 2 - CAPITAL STOCK

Common Stock - During June 1998, the Company issued 500,000 shares of its previously authorized but unissued common stock for cash of $2,000 (or $.004 per share).

During January 1999, the Company issued 20,000 shares of its previously authorized but unissued common stock for cash of $4,000 (or $.20 per share).

During September 2004, the Company issued 225,000 shares of its previously authorized but unissued common stock for cash of $45,000 (or $.20 per share).

During September 2004, the Company issued 25,000 shares of its previously authorized but unissued common stock to certain officers and directors of the Company for services valued at $5,000 (or $.20 per share). The Company issued 7,500 shares to its president/chairman of the board, 5,000 shares to a vice-president/director, 5,000 shares to the chief financial officer/director, 5,000 shares to the director who chairs the audit committee, and 2,500 shares to two other officers.

Stock Split - On January 15, 1999, the Company effected a five for two common stock split. The financial statements, for all periods presented, have been restated to reflect the stock split.

NOTE 3 - RELATED PARTY TRANSACTIONS

Management Compensation and Accrued Expenses - Salary expense to the President for the six months ended March 31, 2005 and 2004 amounted to $0 and $0, respectively.

Legal Services and Accrued Expenses - During the six months ended March 31, 2005 and 2004, the Company's President provided legal services of $0 and $0, respectively, to the Company.

NOTE 4 - INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes". SFAS No. 109 requires the Company to provide a net deferred tax asset/liability equal to the expected future tax benefit/expense of temporary reporting differences between book and tax accounting methods and any available operating loss or tax credit carryforwards. At March 31, 2005, the Company has available unused operating loss carryforwards of approximately $42,300, which may be applied against future taxable income and which expire in various years through 2025.

DOLPHIN PRODUCTIONS, INC.
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NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 4 - INCOME TAXES (continued)

The amount of and ultimate realization of the benefits from the deferred tax assets for income tax purposes is dependent, in part, upon the tax laws in effect, the future earnings of the Company, and other future events, the effects of which cannot be determined. Because of the uncertainty surrounding the realization of the deferred tax assets, the Company has established a valuation allowance equal to their tax effect and, therefore, no deferred tax asset has been recognized for the deferred tax assets. The net deferred tax assets, which consist mainly of net operating loss carryforwards, are approximately $6,300 and $5,800 as of March 31, 2005 and September 30, 2004, respectively, with an offsetting valuation allowance of the same amount, resulting in a change in the valuation allowance of approximately $500 during the six months ended March 31, 2005.

NOTE 5 - GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America which contemplate continuation of the Company as a going concern. However, the Company has not yet been successful in establishing profitable operations and has incurred significant losses in recent years. These factors raise substantial doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds through loans or through additional sales of its common stock or through the possible acquisition of other companies. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations.

NOTE 6 - LOSS PER SHARE

The following data show the amounts used in computing loss per share:

	For the Three Months Ended March 31,		For the Six Months Ended March 31,		From Inception on June 26, 1998 Through March 31,
	2005	2004	2005	2004	2005
Net loss available to common shareholders (numerator)	$(1,188)	$ (798)	$(3,627)	$(2,098)	$ (42,598)
Weighted average number of common shares outstanding used in loss per share for the period (denominator)	770,000	520,000	770,000	520,000	537,081

Dilutive loss per share was not presented, as the Company had no common stock equivalent shares for all periods presented that would affect the computation of diluted loss per share.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of certain significant factors that have affected the Company's financial condition and operating results for the period included in the accompanying financial statements. The accompanying Unaudited Condensed Financial Statements as of March 31, 2005, including the Notes to Unaudited Condensed Financial Statements, are, by this reference, included in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Three Months Ended March 31, 2005 Compared to Three Months Ended March 31, 2004:

DOLPHIN PRODUCTIONS, INC. (the "Company"), generated revenues of $675 during the quarter ended March 31, 2005, compared to revenues of $ 0 for the comparable quarter of 2004. The revenues came from sales of recorded music through a promotional event in March of 2005. The promotional event took place in connection with the opening of the Company's web site in March of 2005.

The Company recorded a net loss of $1,188 for the quarter ending March 31, 2005, compared to a net loss of $798 for the comparable quarter ending March 31, 2004.

Six Months Ended March 31, 2005 Compared to Six Months Ended March 31, 2004:

The Company recorded a net loss of $3,627 for the six month ending March 31, 2005, compared to a net loss of $2,098 for the comparable six months ending March 31, 2004.

General:

The Company launched a trial run of its web site under the domain name "dolphinproductions.net" in March of 2005. Two recording artists have allowed the Company to market their original music through the web site during the trial run. Both artists are shareholders of the Company; one is a vice president and director of the Company.

The Company is evaluating alternative technologies that are available for the downloading and sale of recorded music from the web site. The Company is also negotiating with other artists for the inclusion of additional recorded music to that now available through the Company's web site.

In connection with the launching of the web site, the Company conducted a promotional event at which the Company generated revenues of $675.

The magnitude of future revenues, if any, from the Company's web site will depend upon many factors, including the Company's ability to compete with better capitalized distributors of recorded music.

Liquidity and Capital Resources

As of March 31, 2005, the Company had on hand cash of $13,069. It had current liabilities of $ 397.

Item 3. Controls and Procedures

As of April 15, 2005, an informal evaluation was performed under the supervision and with the participation of the Company's management, including the CEO, the CFO, and the Chair of the Company's Audit Committee, as to the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management concluded that the Company's disclosure controls and procedures were effective as of April 15, 2005. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to April 15, 2005.

PART II-OTHER INFORMATION
None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOLPHIN PRODUCTIONS, INC.

Date: May 12, 2005 /s/ Richard H. Casper

Richard H. Casper, President